

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Cabinet
01 December 2021

Report Title: New Ryecroft Car Park – Contract Award

Submitted by: Executive Director Commercial Development and Economic Growth

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: Town

Purpose of the Report

To award the design and build pre-construction contract for the New Ryecroft car park through the Pagabo framework to Morgan Sindall.

Recommendation

That Cabinet

- 1. Notes the progress made on the Ryecroft aspect of the Future High Street Fund programme.**
- 2. Authorises the Executive Director – Commercial Development and Economic Growth, in consultation with the Portfolio Holder, Finance, Town Centres and Growth to take such actions and enter such agreements with Morgan Sindall for the design and development of the new Car Park scheme on Ryecroft, to achieve a fully designed scheme, with associated costs and planning permissions.**
- 3. Receive the design and costings to enable a decision about the construction of the car park in a Cabinet report at a future date.**

Reasons

The Council has secured £11m from MHCLG from the Future High Street Fund for the redevelopment of the Council owned Ryecroft site and further improvements to the Town Centre. Competitive tenders have been received for the new car park design and progression to award of contract to the preferred contractor is now required.

1. Background

- 1.1** In December 2020 MHCLG (now MLUCH) confirmed to the Council that its Future High Street Fund business case submission had been successful and that £11,048,260.00 was awarded for Newcastle town centre. In January 2021 the Council submitted confirmation of its acceptance of the grant and detailed that the funding would be used to secure the demolition of the former Civic Offices, design and build a new multi storey carpark, procure York Place and undertake other public realm works. The Midway Car Park demolition, which originally formed part of the Future High Streets Fund programme is now to be progressed within the Town Deal programme.

- 1.2 In April 2021 the Council agreed to accept the grant offer and subsequently funding agreements have been signed and the first tranche of the grants have been released in accordance with the submitted cash flow for the programme of works.
- 1.3 Work has been progressing with various stakeholders to develop the plans for the Ryecroft site in terms of securing overall ownership from Staffordshire County Council who have an interest in a third of the site, discussing the development plots and aspirations therein and programming of works in order that once the former Civic offices are demolished a coherent programme of activity across the site is developed and delivered against.

2. Update

2.1 Since the April 2021 Cabinet there has been significant progress on the programme of works, as listed below:

- Dedicated project management resources have joined the Council to manage the projects in the programme with a view to deliver the schemes to time and cost.
- In July 2021 a demolition contract was awarded to Willmott Dixon, through the Procurement Hub framework, to undertake the asbestos removal and demolition of the former Civic Centre on the Ryecroft site, to establish a building platform for subsequent developments. These works are now underway with a target completion date of June 2022.
- Discussions have continued with Staffordshire County Council regarding the portion of the Ryecroft site in their ownership;
- Discussions have progressed with Aspire Housing who are progressing with designs for a new headquarter building and an adjacent residential development on the site, thereby introducing new footfall to the town centre.

2.2 A key element of supporting a viable town centre is to have good quality accessible car parking. The Car Parking Strategy 2019-29 identifies four key priorities:

Priority 1 – to provide good quality car parks

Priority 2 – to improve the customer experience of parking in Newcastle

Priority 3 – to support the economic development of Newcastle Town Centre

Priority 4 – To ensure that car parks meet the future demands of car users

The current Midway multi- storey car park is inadequate and that the costs of repair are too great and would not address many of the inadequacies of the current structure. As the Midway further ages it would lead, without significant investment, to further deterioration and eventual closure. The Strategy identifies that the construction of a new Multi Storey Car Park (MSCP) will be more economic in the long run and would provide a more efficient and environmentally sustainable facility. Through good design, the new MSCP will contribute to all of the priorities in the Strategy.

2.3 A new car park will offer state of the art car parking provision in Newcastle town centre for approximately 450 cars. It is suggested that the new car park will offer a minimum of Electric Vehicle charging points of 10% of the total car space but with the flexibility to increase to meet future demand. This will be further discussed and agreed during the design process. As a new build the multi storey car park can be designed to take into account the size and movability of modern cars and drivers expectations. This should ensure that drivers are happy with the accessibility and parking space options, all of which would be difficult to address in a refurbishment.

- 2.4 The site at Ryecroft is jointly owned by SCC and NuLBC and is therefore in public sector control. The original FHSF bid contained a The Town Centre Development Plan which identified a MSCP as being part of the redevelopment of the Ryecroft site. This site also provides for direct access to the ring road as well as good access to the main town centre retail and commercial areas. All of which are key to meeting drivers expectations and a good town centre experience. Discussions are ongoing with the County Council to gain ownership of the overall site, as currently one third of the site is jointly owned in a 75% / 25% split (SCC ./ NuLBC) as a former supermarket was purchased for a previous regeneration development that did not progress to completion.
- 2.5 The Council recognised the importance of good quality car parking and as part of the original bid for FHSF the Council committed to co-fund the MSCP with £3.5m of Capital Resource making the total budget for delivery of the new car park as £7m.
- 2.6 It is important that the Council effectively procures a good design and build, so competitive tenders were sought through the Pagabo procurement Framework. Initially four design and build contractors expressed an interest in bidding for the contract. One of the contractors decided to withdraw however, this contractor had the least experience of delivering multi-storey car parks and so it was felt that this would not unduly affect the procurement process. The procurement process included a site visit plus question and answer session with the interested contractors. Tenders were then received on the 13th October and presentations were made on 20th October. The tenders and presentations were assessed on a 70% quality and 30% cost split with Morgan Sindall achieving the highest score overall.

3. **Proposal**

- 3.1 It is proposed that Council enter into a Pre-Construction Agreement with Morgan Sindall through the Parago procurement framework to deliver a fully designed, costed and planning approved scheme for a new multi storey car park on the Ryecroft site, for the cost of £351,898.75.

4. **Reasons for Proposed Solution**

- 4.1 The decision to will enable the project to progress as per the programme agreed with Government and the Future High Street Fund awards and commitments.
- 4.2 To use this Government funding opportunity to support delivery of Council Plan objectives and Car Parking Strategy.
- 4.3 To uplift the status of Newcastle town centre as the heart of economic, social and community life in the Borough.

5. **Options Considered**

- 5.1 Due to time constraints with funding it was decided to pursue a design and build contract for the new car park. One of the main advantages of design and build over a traditional procurement route (whereby a design team is procured to design the scheme and then subsequently tenders are sought from contractors to build out the scheme) is time thus ensuring the that the design and build programme fits within the Future High Streets Fund Programme. There is also less risk as the contractor has responsibility for both design and construction and there are less likely to be price fluctuations as the contractor agrees to deliver the scheme within the budget.
- 5.2 A number for procurement frameworks were considered for the design and build contract including: Construction West Midlands, Crown Commercial Services, Procure Partnership, PAGABO, SCAPE and Procurement Hub. These were all considered with a view to widest spread of contractors who might be able to / have had experience with multi-storey car park projects.

5.3 The Pagabo Framework was ultimately chosen as the preferred framework for this procurement exercise as it offered a combination of the lowest overhead and profit percentage fees as well as a very good list of potential contractors with good and recent experience of multi-storey car park development.

6. **Legal and Statutory Implications**

6.1 The Local Government Act 2000 gives local authorities the powers to promote the economic, social and environmental well-being of their areas. As part of the FHSF the Council will be required to comply with funding conditions.

7. **Equality Impact Assessment**

7.1 The nature of the project is intended to seek benefits for all people who use the town centre and to support the economic and social health of Newcastle town centre as a destination.

8. **Financial and Resource Implications**

8.1 Future High Street Fund funding of £7.256m has been allocated to the Council for the redevelopment of the Rycroft site (£3.756m) and for the development of a Multi Storey Car Park (£3.500m).

8.2 This first instalment (£3.299m) of this funding has been received by the Council (£2.436m re. Rycroft and £0.863m re the Multi Storey Car Park), further allocations are due to be received in 2022/23 (£2.699m) and 2023/24 (£1.259m including contingency).

8.3 In addition to the Future High Street funding the proposed Capital Programme for 2022/23 to 2024/25, which will be considered by Cabinet on 1 December 2021 as part of the budget setting process finalised by Council on 23 February, includes match funding of £3.500m from the Council towards the development of a Multi Storey Car Park.

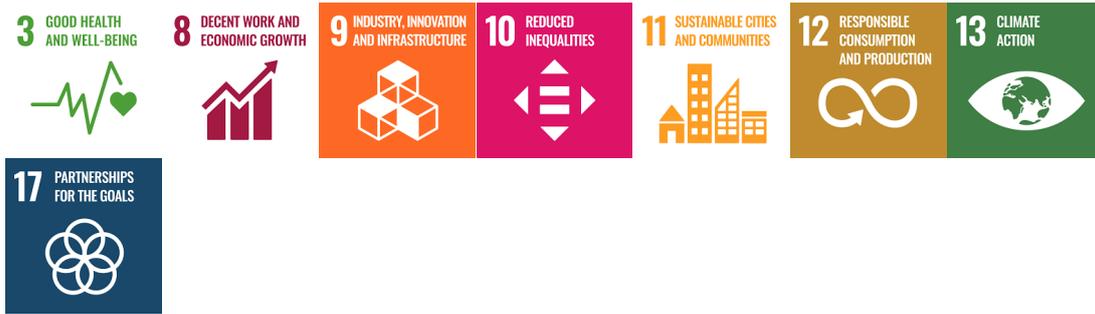
8.2 The design and build pre-construction contract with Morgan Sindall will cost £351,898.75, this will take the project up to cost certainty and planning approval. The following phase will require the award of a contract for the construction of the car park.

9. **Major Risks**

9.1 By procuring through a recognised Framework the Council seeks to minimise some of the risks associated with procurement. The staged approach to procuring the design and build contract means that the Council is able to guide the various stages and importantly reflect on progress prior to the next steps. As part of the design element a range of discussions will take place to ensure as far as reasonably practicable that the proposals are in line with planning policy and local aspirations, thus minimising the risks of a planning application refusal.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 Newcastle town centre is a highly accessible location, encouraging greater use of its land and assets enhances its role as a centre for services, leisure, retail and living and its connection to local residents. In that respect, the project supports the realisation of the following UNSDG objectives:-



11. **Key Decision Information**

11.1 This is not a Key Decision as the funding has already been allocated.

12. **Earlier Cabinet/Committee Resolutions**

12.1 October 2019, Cabinet concerning development of the second stage FHSF bid and procurement of consultancy support.

12.2 December 2019, Economy Environment & Place Overview and Scrutiny Committee Town Centre Funding Update (information item)

12.3 July 2020, Cabinet concerning approval for submission of bid into MHCLG

12.4 April 2021 Cabinet accepting FHSF Grant monies and grant conditions.

13. **List of Appendices**

13.1 None

14. **Background Papers**

14.1 None